

SENATE COMMITTEE
ON

Agriculture, Livestock, and Irrigation

Senate Bill 38

Testimony of Greg Ames

Administrator, Agricultural Science Division, Montana Department of Agriculture

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

Good afternoon, my name is Greg Ames. I am the Administrator of the Agricultural Science Division with the Montana Department of Agriculture. We understand the concept behind the bill and support small businesses, farmer markets, and other venues that promote "grow and buy local." The Department has several concerns with Senate Bill 38.

Senate Bill 38 seeks to change the Nursery Act, which supports one of the department's top priorities - protecting the health and safety of Montana agriculture. A healthy nursery industry protects the health of all agriculture in Montana. For example, many varieties of barberry, an ornamental shrub, may host black stem rust, a serious disease of wheat. Our late blight quarantine is geared toward the health of tomato and potato plants to protect our potato industry. The European Pine Shoot Moth is an invasive species that threatens our forests, our Christmas tree industry, our timber industry, and tourism.

And while we certainly support growing, selling, and using local coniferous holiday decorations, importation or movement of materials from outside a local area carries risk of introduction and spread of pests, invasive or native.

The ability to accomplish the responsibilities and tasks associated with promoting and protecting healthy agriculture comes at a cost. We must be able to pay for the needed protection. License fees are the revenue source of the nursery program. In FY 2008, license fees generated \$97,000 in program revenue. The fiscal impact of Senate Bill 38 is calculated to be \$35,000. This represents a 36 percent reduction in revenue. In addition, the bill removes the ability of the department to adjust fees by administrative rule within a legislatively approved range to respond to economic or environmental change.

We appreciate the concern and desire for a progressive fee schedule; however verification of total annual sales presents major problems. Verification increases costs to the agricultural department and businesses. Information currently collected by the Department of Revenue is not specific to sales of nursery stock inspected by our department. Even if the correct information could be collected that information could not be shared with the Department of Agriculture without proper statutory language changes allowing the Department of Revenue to do so because of confidentiality.

We have to be able to pay for the services that provide the protection that ensures the health and safety of all Montana agriculture. Any proposed change to the current fee structure in the nursery program needs to be revenue neutral, having no fiscal impact.

I urge your careful consideration of the impacts of the bill. As currently proposed, the department of agriculture can not support Senate Bill 38.